

&gt;

Title: The motion for consideration of the Taxation Laws (Amendment) Bill, 2021 (Motion adopted and Bill passed).

**माननीय सभापति :** आइटम नम्बर 24, कराधान विधि (संशोधन) विधेयक, 2021.

माननीय मंत्री जी ।

... (व्यवधान)

**THE MINISTER OF FINANCE AND MINISTER OF CORPORATE AFFAIRS (SHRIMATI NIRMALA SITHARAMAN):** Sir, I rise to move\* :

“That the Bill further to amend the Income-tax Act, 1961 and the Finance Act, 2012, be taken into consideration.”

... (*Interruptions*)

**माननीय सभापति :** माननीय मंत्री जी, क्या आप इस बिल पर कुछ बोलना चाहती हैं?

... (व्यवधान)

**श्रीमती निर्मला सीतारमण :** जी हाँ सर ।... (व्यवधान) धन्यवाद सर ।... (व्यवधान)

Sir, as opening remarks, I would like to say a few words on the reason why we are coming up with this Bill. ... (*Interruptions*)

The issue of levying income tax on income derived from the transfer of Indian assets through the transfer of shares of a foreign

company was a subject matter of prolonged litigation. ... (*Interruptions*)  
In 2012, the Supreme Court ruled that such income is not taxable under  
the existing provisions of the Income Tax Act. ... (*Interruptions*)  
Consequently, the Finance Act of 2012 amended the Income Tax Act,  
1961 with retrospective effect to clarify that such income is taxable. ...  
(*Interruptions*)

The Finance Act, 2012 also provided that the demand raised for  
this income shall be valid even if the said demand has been struck off by  
the courts. ... (*Interruptions*) So, what has happened is that this  
retrospective tax was brought in as a clarificatory amendment. ...  
(*Interruptions*) However, there has been quite a lot of disagreement for  
this measure and even as we were in the Opposition, we had very clearly  
raised this objection saying that this is bad in law and also bad for  
investor sentiments. ... (*Interruptions*)

After coming to power in 2014 led by hon. Prime Minister, Shri  
Narendra Modi ji, the Finance Minister, late Shri Arun Jaitley, in 2014,  
clearly made a commitment here in the House stating that : “We do not  
believe in applying the law in retrospect and we would certainly form a  
High-Level Committee, which will look into all such cases”. ...  
(*Interruptions*) I am happy to say that between 2014 and till today the  
High-Level Committee has dealt with this matter and we have not had  
one claim based on the amendment made in 2012. ... (*Interruptions*)  
However, 17 such cases were there prior to 2012 and for which it was  
retrospectively applied. Out of them, two went to the court, which were  
stayed and the claims could not be pursued further. ... (*Interruptions*)  
But two other cases in which the Government of India actually could not  
win the case and therefore the arbitral awards were announced. ...  
(*Interruptions*)

Therefore, we have waited, as was committed by the then Finance Minister, late Shri Arun Jaitley that in-principle, we do not believe in this. However, we could not act on it even at that time in 2014 because there were two cases going on, and the then Finance Minister, late Shri Jaitley had very clearly said that : “We will wait for them to reach the logical conclusion”, and the logical conclusion was reached in September, 2020 in one case and in December, 2020 in the other cases. ... (*Interruptions*) Those cases were studied in detail by the Government and the Law Department, and consultations were held with the AG. ... (*Interruptions*) But as the Budget Session was also contracted, we could not take up more activities at that time. ... (*Interruptions*)

We have come to the next available Session, which is the Monsoon Session, which is now on, to keep up the word given by the former Finance Minister, Shri Arun Jaitley. Under the leadership of Prime Minister Modi, we are keeping up the commitment of BJP that we don't believe in retrospective application of tax. We are fulfilling that word, हमने इस गरिमामय सदन में जो वायदा किया था, उसे पूरा करने के लिए आज इस कानून में अमेंडमेंट ला रहे हैं । सदन इस पर चर्चा करे और इस अमेंडमेंट का समर्थन करते हुए इसे पारित करे ।

**माननीय सभापति :** प्रश्न यह है :

“कि आयकर अधिनियम, 1961 तथा वित्त अधिनियम, 2012 का और संशोधन करने वाले विधेयक पर विचार किया जाए ।”

प्रस्ताव स्वीकृत हुआ।

... (व्यवधान)

**माननीय सभापति :** अब सभा विधेयक पर खंडवार विचार करेगी ।

... (व्यवधान)

**माननीय सभापति :** प्रश्न यह है :

“कि खंड 2 और 3 विधेयक का अंग बने ।”

प्रस्ताव स्वीकृत हुआ ।

खंड 2 और 3 विधेयक में जोड़ दिए गए ।

खंड 1, अधिनियमन सूत्र और विधेयक का पूरा नाम विधेयक में जोड़ दिए गए ।

... (व्यवधान)

**माननीय सभापति :** अधीर रंजन चौधरी जी, क्या आप कुछ कहना चाहते हैं?

... (व्यवधान)

**माननीय सभापति :** अधीर रंजन जी, please limit your submission to the Bill only.

... (व्यवधान)

**SHRI ADHIR RANJAN CHOWDHURY (BAHARAMPUR):** Sir, with all humility at my command, I must say that the NDA parties much-hyped terror law has been passed at the behest or the direction of the Supreme Court or at the behest of the international arbitration. But the same Supreme Court has yesterday told that.... .. (*Interruptions*)

**माननीय सभापति :** माननीय मंत्री जी, अब आप प्रस्ताव करें कि विधेयक पारित किया जाए ।

... (*Interruptions*)

**SHRIMATI NIRMALA SITHARAMAN:** Sir, I beg to move:

“That the Bill be passed.”

**माननीय सभापति :** प्रश्न यह है :

“कि विधेयक पारित किया जाए ।”

प्रस्ताव स्वीकृत हुआ ।

- ... (व्यवधान)

**12.17 hrs**